

## OCP REPORTS EARNINGS FOR THE THIRD QUARTER AND NINE-MONTHS OF 2021

**-- HIGHER PRICES AND ONGOING OPERATING EFFICIENCIES DRIVE SUBSTANTIAL OPERATING LEVERAGE --**

**Casablanca - Morocco, November 30, 2021** – OCP S.A. (“OCP” or the “Group”), a global leader in the fertilizer industry, today reported results for the third quarter and the nine-month period ending September 30, 2021..

### MANAGEMENT COMMENTARY

“OCP’s strong performance across the value chain continued in the third quarter 2021, with significant year-on-year growth achieved in each of our key product categories. Excellent execution by our industrial and commercial groups enabled us to meet robust customer demand in the first nine months of this year and fully benefit from the positive pricing environment. These elements, together with our continued success in driving production and operating efficiencies resulted in substantial operating leverage, reflected in a 79% increase in year-to-date EBITDA and an industry-leading EBITDA margin of 42%.

We continue to effectively address demand trends in today’s dynamic environment, serving a global customer base in high growth markets with an increased product portfolio diversification. In this context, South America represented 38% of the Company’s exports, and Africa and Asia increased to account for 21%, and 18%, respectively.

In terms of revenues, fertilizers comprised 60% of the total nine-month revenues, and we further expanded production of our customized products, which accounted for over 37% of fertilizer export volumes, up from 30% in the comparable 2020 period.” noted Mostafa Terrab, Chairman and CEO.

### YEAR-TO-DATE KEYS FIGURES

- Revenues reached MAD 57,646 million (US\$ 6.45 billion), compared with MAD 41,686 million (US\$ 4.34 billion) in the same period of 2020.
- Nine-month EBITDA amounted to MAD 24,478 million (US\$ 2.74 billion), up from MAD 13,681 million (US\$ 1.42 billion) reported in 2020.
- EBITDA margin expanded to 42 % from 33% in the prior-year period.
- Capital expenditures totaled MAD 7,126 million (US\$ 798 million), compared to MAD 6,410 million (US\$ 666 million) in the year-ago period.



## YEAR TO DATE OPERATING AND FINANCIAL RESULTS

Global fertilizer prices saw further price increases through the first nine months of 2021, as a result of robust global demand combined with tightening supply. Higher crops prices and low inventories in key markets, supported strong demand fundamentals.

For the first nine months of 2021, OCP's revenues increased 38% year-over-year in local currency and totaled MAD 57,646 million (US\$ 6.45 billion). This performance was mainly attributable to higher prices across all product categories, which more than offset lower fertilizer sales volumes compared to the same period last year.

For the period, rock revenues were up 25% compared to the same period last year in local currency, owing primarily to higher rock prices, which trended upward in line with fertilizer prices.

Higher prices and volumes resulted in higher phosphoric acid revenues, which were up by 47% from the previous year in local currency. The increase in sales volumes was primarily due to changing market dynamics where demand for acid was very solid during the period.

Nine-month fertilizer revenues increased by 41% compared to the prior-year period in local currency, thanks to higher fertilizer prices, which mitigated the effect of lower export volumes, primarily resulting from a shift towards phosphoric acid, to accommodate market demand trends.

Gross profit for the period reached MAD 37,875 million (US\$ 4.23 billion) up from MAD 26,829 million (US\$ 2.79 billion) a year earlier, as a result of combined effect of higher prices as well as ongoing operating improvements. These operating efficiencies more than offset increased raw material costs, namely ammonia and sulfur.

Year-to-date EBITDA increased 79% year-on-year to MAD 24,478 million (US\$ 2.74 billion), compared to MAD 13,681 million (US\$ 1.42 billion) for the same period last year. EBITDA margin expanded significantly to 42%, benefiting, as previously highlighted, from operating efficiencies as well as improved pricing.

Operating profit amounted to MAD 17,735 million (US\$ 1.99 billion), significantly higher than the MAD 4,008 million (US\$ 416 million) reported last year. For a reminder, nine-month 2020 operating profit included a one-time expense of MAD 3 billion representing OCP's contribution to the Covid-19 Special National Fund in the second quarter of 2020.



## SUMMARY AND OUTLOOK

Favorable pricing conditions are underpinned by robust market dynamics, namely strong demand in key consuming regions amid stable supplies and high crop prices. These positive phosphate market fundamentals are expected to continue in 2022, providing an especially strong operating environment for OCP, given the Company's position as the world's largest exporter and its advantageous cost structure.

With the majority of fourth quarter sales already priced, OCP is on a sound track to deliver robust results across all key financial metrics for the full year 2021. At the same time, the Company is moving forward with its investment program to streamline operations through accelerated digitalization and R&D and to ensure the sustainability of its supply chain and mass customize its production system. These, initiatives will further strengthen OCP's competitive position and continue to enrich its corporate citizenship.

## CONTACT

Mrs. Ghita LARAKI  
Head of Investor Relations  
Phone : (+212) 5 22 92 41 83  
E-mail : G.laraki@ocpgroup.ma

